

Annual Appointments, Remuneration and Sustainability Committee Report
Activity Repor. Year 2024
Metrovacesa Group

Madrid, 20 March 2025

APPOINTMENTS, REMUNERATION AND SUSTAINABILITY COMMITTEE REPORT Year 2024

1. Nature of the Report, approval and publicity

The purpose of this report (the “**Report**”) is to provide information concerning the operation and activities of the Appointments, Remuneration and Sustainability Committee (hereinafter, the “**ARSC**”) of Metrovacesa, S.A. (hereinafter, the “**Company**” or “**Metrovacesa**”), during 2024.

The Report was unanimously approved by the members of the ARSC on 20 March 2025 and will be presented to the Board of Directors on 26 March 2025.

The Report will also be made available to shareholders and investors on the Company’s website (www.metrovacesa.com) as of the call to the 2025 Annual General Meeting of Shareholders, in compliance with Guideline 6 of the Good Governance Code of Listed Companies, approved by Spain’s National Securities Market Commission on 18 February 2015, revised in June 2020 (the “**Good Governance Code**”).

2. ARSC composition and name

The ARSC was created by the Metrovacesa Board of Directors in its meeting on 19 January 2018, but was made valid as of the Company’s effective listing on the stock exchange in the year 2018, which took place on 6 February 2018. On 26 October 2021, the Board of Directors agreed to change the name of the Committee from Appointments and Remuneration Committee to Appointments, Remuneration and Sustainability Committee, so as to properly reflect its sphere of competence in connection with sustainability.

As of 31 December 2024, the ARSC is comprised of four (4) members, in compliance with the provisions of Article 15.1 of the Regulations of the Board of Directors (the “**Regulations of the Board**”), which establishes that the ARSC will be composed of a minimum of three (3) and a maximum of five (5) Directors.

In accordance with the provisions of Article 529 quidecies of Royal Legislative Decree 1/2010, of 2 July, approving the recast text of the Corporate Enterprises Act (hereinafter, the “**LSC**”), all members of the ARSC are non-executive directors, three (3) of them are independent and one (1) proprietary. Additionally, the Chair of the ARSC is an independent director.

The current structure of the ARSC is as follows:

Name	Category	Seniority
Ms. Emma Fernández Alonso (Chair)	Independent External	February 2018
Mr. Vicente Moreno García-Mansilla	Independent External	February 2018
Mr. Ignacio Moreno Martínez	Independent External	February 2018
Mr. Cesáreo Rey-Baltar Oramas	External Proprietary	February 2018

Mr Lucas Osorio Iturmendi (Non-member Secretary to the Board of Directors) acts as the non-member Secretary to the ARSC.

During the 2024 financial year, there were no changes in the composition of the ARSC, yet, at the proposal of the ARSC itself, the Board of Directors agreed, in its meeting on 27 February 2024, to change the category of Mr. Ignacio Moreno Martínez from another external director to independent. Consequently, from that date onwards, the ARSC was composed of one (1) proprietary director and three (3) independent directors, with the latter representing 75% of the ARSC members.

3. Regulation and Competencies

In accordance with Article 15 of the Regulations of the Board, the ARSC's responsibilities include the following:

- (i) Assessing the competencies, expertise and experience necessary in the Board of Directors. For this purpose, it will define the necessary abilities and skills for candidates to fill each vacancy and it will evaluate the precise time and dedication required to efficiently fulfil their duties.
- (ii) Establishing a target representation of the sex least represented on the Board of Directors and developing guidelines as to how to achieve that target.
- (iii) Submitting to the Board of Directors the proposed appointments of independent directors for appointment by cooptation or for approval at the General Meeting of Shareholders, as well as proposals for the re election or removal of said directors by the General Meeting of Shareholders.
- (iv) Reporting the proposed appointments of the remaining directors for appointment by cooptation or for approval at the General Meeting of Shareholders, as well as proposals for their re-election or removal by the General Meeting of Shareholders.
- (v) Reporting proposed appointments and removals of management staff, and proposing the basic terms and conditions of their contracts.

- (vi) Examining and organising the succession of the Chair of the Board of Directors and the Company's Chief Executive Officer, and, where applicable, submitting proposals to the Board of Directors so that the succession is performed in an orderly and well-planned manner.
- (vii) Proposing to the Board of Directors the remuneration policy of directors and managing directors or of whoever performs duties as management staff reporting directly to the Board of Directors, Executive Committees or Chief Executives, as well as the individual remuneration and other contractual terms and conditions of executive directors, verifying and endeavouring to ensure that they are observed.
- (viii) Verifying that the Company's remuneration policy is observed.
- (ix) Periodically reviewing the remuneration policy applied to the directors and senior executives, including the remuneration schemes involving shares and their implementation, and ensuring that their individual remuneration is proportionate to what other directors and senior executives are paid.
- (x) Preventing any potential conflicts of interest from undermining the independence of the external advice provided to the ARSC.
- (xi) Verificar la información sobre remuneraciones de los consejeros y altos directivos contenida en los distintos documentos corporativos, incluido el informe anual de remuneraciones.
- (xii) Supervising, without prejudice to the functions of the Audit Committee in relation to the preparation and integrity of non-financial information, that the sustainability policies on environmental and social matters, which cannot be delegated to the Board of Directors, identify and include, at least:
 - a) the principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conducts;
 - b) the methods or systems for monitoring compliance with policies, the associated risks and their management;
 - c) the mechanisms for supervising non-financial risk, including those relating to ethical and business conduct aspects;
 - d) the channels for stakeholder communication, participation and dialogue; and

- e) responsible communication practices that prevent the manipulation of information and protect the Company's honour and integrity.
- (xiii) Evaluating and periodically reviewing sustainability environmental and social policies, ensuring that they fulfil their mission of promoting the social interest and that they take into account the legitimate interests of the remaining stakeholders.
- (xiv) Ensuring that the Company's environmental and social practices are consistent with the established strategy and policies.
- (xv) Compiling an annual report on its activities, highlighting any material incidents that may arise in connection with its duties.

Additionally, Article 15 of the Regulations of the Board of Directors also establishes the essential aspects of the structure, competencies and operation of the ARSC, further supplemented by the provisions of the Regulations of the ARSC, approved on 3 May 2018 and modified by agreement of the Board of Directors on 26 October 2021.

Lastly, the ARSC has considered and followed the criteria and recommendations established in the Good Governance Code and in Technical Guide 1/2019 on Appointments and Remuneration Committees, issued on 20 February 2019 by Spain's National Securities Market Commission.

4. Main actions performed in 2024

4.1 Meetings

The ARSC met eight (8) times during 2024, namely on 25 January, 22 February, 14 March, 23 May, 18 July, 24 October, 15 November and 12 December.

All meetings were attended by all members of the ARSC.

Hence, the ARSC met with the necessary frequency to properly perform its duties, complying in all cases with Article 15.7 of the Regulations of the Board, which establishes that meetings should ordinarily be held every three (3) months and, in any event, as often as deemed necessary by its Chair, who may call a meeting whenever a report needs to be issued or proposals need to be approved and, in any case, as necessary for the correct performance of its duties.

In addition to the ARSC members, other members of the management team attended as guests, on the basis of the topics to be addressed. Specifically, during 2024 the following attended in that capacity: (i) the Chief Executive Officer, Mr Jorge Pérez de Leza Eguiguren; (ii) Mr Miguel Ángel Melero (Director of Human Resources, Processes and Technology); (iii) Ms Raquel Bueno

Montávez (Director of ESG), and (iv) Ms. Elena Andrade Luque (Responsible of Internal Audit).

Additionally, external advisors from KPMG have attended to present their conclusions of their double materiality analysis on sustainability.

So as to coordinate actions between the ARSC and the Audit Committee regarding sustainability matters, members of the Audit Committee attended the ARSC meeting on 14 March 2024, to discuss the double materiality analysis. Likewise, members of the ARSC attended the Committee meetings on 18 March and 24 June 2024, to analyse the conclusions of the Company's sustainability report and review the Company's organizational progress in alignment with the CSR Directive (Directive 2022/2464), respectively.

Additionally, on 18 November 2024, a joint coordination meeting was held between the Audit Committee and the ARSC to jointly analyse the Strategic Plan 2025-2027.

4.2 Actions performed

In general, the foremost purpose of the ARSC is to supervise the Company's compliance with the best practices of good governance within its area of operation and to encourage actions in that sphere.

More specifically, the ARSC carried out the following activities in 2024:

- i. It has reviewed and favourably reported on the good corporate governance documentation for the Company corresponding to 2023 within the scope of its competencies. Specifically, the following: (i) the annual remuneration report; (ii) the ARSC's annual activity report; and (iii) the annual corporate governance report;
- ii. It has reviewed and favorably reported on the evaluation of the Board of Directors, its Committees, the Chairman, the CEO, and the Secretary of the Board for 2023, conducted by Russell Reynolds.
- iii. It has reviewed the action plan schedule and the proposed self-assessment of the performance of the Board of Directors and its Committees for 2024, as well as the workload of the directors.
- iv. It has reviewed the Board of Directors' competency matrix to assess its capabilities, competencies, incompatibilities, tenure, diversity, and workload.
- v. It has analyzed and updated the succession plan for the Chairman and the CEO.
- vi. It has analyzed and reviewed the development, succession, and contingency plans for the management team.

- vii. It has analyzed and approved the proposal to change the category of Mr. Ignacio Moreno Martínez from another external director to an independent director, issuing the corresponding report-proposal.
- viii. It has favorably reported on the appointment of Mr. Alberto Quemada Salsamendi as the new proprietary director of the Company, proposed by Banco Santander, replacing Mr. Javier García-Carranza, issuing the corresponding report.

In this process, the ARSC took into account the criteria of the Company's Diversity and Director Selection Policy.

- ix. Regarding remuneration:
 - a. It has preliminarily analyzed and subsequently favorably reported on the metrics, beneficiaries, and amounts of the LTIP 2024-2026 (LTIP 3).
 - b. It has favorably reported on the LTIP 2024-2026 regulations as well as the specific allocation letter for the CEO.
 - c. It has reviewed the progress of the previous LTIP 1 and 2 cycles pending accrual and the degree of achievement of objectives.
 - d. It has analyzed the beneficiaries, achievement levels, and amounts for cycle 2.3 of the LTIP 2023-2025.
 - e. It has assessed the degree of achievement of the LTIP 2.1 (2021-2023 cycle).
 - f. It has analyzed the achievement levels of the LTIP corresponding to Cycle 2 (2.2 and 2.3), Cycle 3 (3.1), and the estimated achievement of 2024 objectives.
 - g. It has favorably reported on the metrics for Cycle 2 of LTIP 3.
 - h. It has reviewed and favorably reported on the general salary increase for the 2024 financial year, as well as the salary increase for the management team.
 - i. It has reviewed the remuneration of the Company's directors, comparing it with market data.
 - j. It has reviewed the Company's stock package held by directors and executives, as well as major variations.
 - k. It has analyzed, by area, the proposed 2024 objectives governing employee variable compensation.

- I. It has reviewed the equality initiatives carried out in 2023 and those planned for 2024 and analyzed the Company's gender pay gap, reviewing the action plan for 2024.
- x. It has analyzed the Company's work environment through the conclusions of the Querygo survey.
- xi. It has analyzed and reviewed the conclusions of the 2023 employee performance evaluation process, as well as the improvement plans for 2024.
- xii. It has reviewed the Company's strategy regarding the circular economy.
- xiii. It has analyzed the results of the Company's 2023 taxonomy exercise.
- xiv. It has favorably reported on the Equality Plan for the next four years.
- xv. It has reviewed the Líder Project, an internal tool for enhancing leadership and people management.
- xvi. It has reviewed the 2024 employee training plan, assessing the functionality of the MVC Academy training platform.
- xvii. It has favorably reported on the 2025 Board of Directors training plan.
- xviii. It has periodically reviewed the 2024 employment plan, including workforce evolution, open and closed selection processes, gender ratios, turnover rates, and variations, while also proposing and analyzing the employment plan and budget for 2025.
- xix. It has analyzed the degree of achievement of the 2023 Strategic Plan objectives concerning new launches, commercial and land sales, deliveries, urban planning milestones, commercial agreement closures, EBITDA, ESG objectives, and goals set by business areas, the Management Committee, and the CEO, as well as reviewed and approved those corresponding to 2024.
- xx. It has favorably reported on the annual objective metrics for the 2025 Strategic Plan.
- xxi. It has been informed of variations in workload and professional roles of several Company directors, analyzing the potential impact on their competencies and dedication, as well as the existence of any possible competition or conflict with the Company.
- xxii. In the area of sustainability:
 - a. It has reviewed the double materiality analysis, which aims to simultaneously report on sustainability matters that are material to the Company's value and material to people and the environment. It has

also discussed the strategy, resources, and costs that the Company should allocate to this matter;

- b. It has favorably reported on the new human rights and stakeholder engagement policies;
- c. It has monitored the ESG strategic plan by periodically analyzing the dashboards for environmental, social, and governance values, as well as strategic projects, and identifying actions to be undertaken in 2024;
- d. It has reviewed the 2023 annual non-financial information report;
- e. It has assessed the Company's ESG objectives for 2025-2027, analyzing planned actions and the most relevant aspects regarding strategy, structure, dashboards, and governance to achieve these objectives;
- f. It has favorably reported on the 2025 ESG budget; and
- g. It has analyzed the key climate change issues to ensure compliance with the CSRD Directive, as well as the decarbonization timeline for the sector within the framework of the Energy Transition Plan.

It is important to highlight and emphasize the coordination efforts carried out with the Audit Committee on sustainability matters, as mentioned in section 4.1 above.

In carrying out some of the aforementioned activities, the ARSC has sought advice from external consultants, specifically in relation to the following matters:

- (i) KPMG, to position the Company in terms of circular economy strategy and to conduct the Company's double materiality analysis; and
- (ii) Russell Reynolds, to update the development and succession status of the management team, the Chairman, and the CEO, as well as to carry out the evaluation of the performance of the Board and its Committees.

5. **Activities undertaken in FY 2025**

The ARSC has met on 3 occasions in 2025 (up to the date of the issue of this Report), having dealt, among other matters, with those necessary to monitor and comply with the good corporate governance actions of 2025, within the scope of its functions and competencies.

In particular, the ARSC has favorably reported on the appointment by co-optation of Mr. Jaime Ybarra Loring as a new proprietary director of the Company, which will be submitted for approval by the Board of Directors and subsequently for ratification by the Ordinary General Shareholders' Meeting.

6. **Conclusión**

The ARSC understands that during 2024 it was properly informed on the matters of its competency, it has not detected significant deviations with respect to the procedures adopted and has not witnessed irregularities on matters of its competency, and has satisfactorily performed its duties.

Madrid, 20 March 2025

Ms. Emma Fernández Alonso

Mr. Cesáreo Rey-Baltar Oramas

Mr. Ignacio Moreno Martínez

Mr. Vicente Moreno García-Mansilla